

REGULATION 9

CLOSING OF BUSINESS; DEATH OR DISABILITY; INSOLVENCY

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9.020 Death or disability of licensee.
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9.010 Surrender of license on closing of business; closing due to natural disasters.

1. If a gaming establishment is conveyed to a secured party who does not possess the licenses necessary to operate the establishment, and the licensee ceases gaming operations as a result, the licensee must immediately surrender his gaming license and, upon written notification from the board chairman that the surrender is accepted, the license shall be deemed to have lapsed. The commission may, upon its own initiative or upon a request by the former secured party of the establishment, petition a district court for the appointment of a supervisor pursuant to NRS 463B and Regulation 17 to ensure the continuation of the gaming operation upon lapse of the license.

2. Except as provided in subsection 1, any licensee who surrenders, abandons or quits his licensed establishment, or who closes all of his licensed games for a period exceeding 1 month, shall within 10 days after surrendering, quitting or abandoning his licensed establishment or so closing his games, surrender his license to the board. The board may, upon request, authorize closing for longer periods; however, such extension will not permit closing for an entire calendar quarter.

3. Subsection 2 shall not apply to any gaming establishment which is an adjunct operation of an existing licensee requiring a separate license and which is utilized for special events of less than 10 days duration for each event, provided that the following conditions are complied with:

(a) All annual license fees are timely paid.

(b) All quarterly fees for the quarter in which gaming operations are to be conducted are paid prior to commencement of gaming operations.

(c) Gaming operations are conducted for at least 3 days during the calendar year.

(d) Written notice of each special event setting forth the hours of operation and number of days gaming will be conducted and the number of games, tables and gaming devices that will be in operation is given to the nearest office of the gaming control board at least 5 days prior to commencement of operation.

4. Subsection 2 shall not apply if the board authorizes closure of any licensed gaming establishment that temporarily ceases the operation of all licensed games because of natural disaster, fire or other physical destruction of the licensed gaming establishment. In such circumstances, the licensee shall notify the board of the circumstances requiring closure of the licensed games pending rebuilding or repair of the premises; the anticipated duration of the closure; and the intent of the licensee to commence operation as soon as rebuilding or repairs have been completed. Upon receipt of such notice, the board, if satisfied that the premises are in fact unusable for continuing gaming, may authorize closure for such time as is necessary upon the following conditions:

(a) For a nonrestricted licensee who operated games, except slot machines only, payment at the normal time for license renewal for each quarter of authorized closure the quarterly state license fee applicable for the operation of one game as required by NRS 463.383, and if appropriate the annual license fee as required by NRS 463.380, as well as any other fee or tax required by NRS chapters 463 or 464.

(b) For a nonrestricted licensee who operated slot machines only, payment at the normal time for license renewal for each quarter of authorized closure the quarterly slot fees and any annual slot fees or taxes which may be due for the operation of one slot machine, as well as any other fee or tax required by NRS chapter 463.

(c) For restricted licensees, payment at the normal time for license renewal of the quarterly state license fee for the operation of one slot machine for each quarter during the authorized closure, as well as payment of the annual slot tax required by NRS 463.385, if appropriate.

5. Any licensee granted temporary closure by the board under subsection 4 is a continuing state gaming licensee subject to the provisions of the Nevada Gaming Control Act and regulations adopted thereunder, and shall also be subject to such conditions, by way of placement of a bond, reporting, or otherwise, as may be deemed necessary by the board. Prior to resumption or partial resumption of gaming

operations, licensees shall pay in advance any license fees and taxes due under chapters 463 or 464 of NRS.

(Amended: 9/72; 3/81; 3/91.)

9.020 Death or disability of licensee.

1. In the event of the death or judicially established disability of a licensee or a stockholder of a corporate licensee, the spouse, next of kin, personal representative or guardian of such deceased or disabled person or the person in charge of the licensed establishment, or, in the case of a corporate licensee, a managing officer of such corporation, shall notify the board immediately of the fact of such death or disability.

2. In case such deceased or disabled person is the sole licensee for an establishment, the board chairman may in his sole and absolute discretion, authorize the spouse, next of kin, personal representative or guardian of such person to continue the operation of such establishment pending action on an application by such spouse, next of kin, personal representative or guardian for a license to operate such establishment.

3. In any case in which the interest held by such deceased or disabled person in any licensed establishment would pass by operation of law or otherwise to his estate or to any person other than a co-licensee, such person or the personal representative or guardian of the deceased or disabled person shall, within 30 days after the date of death or disability, make application to the board for a temporary license as successor in interest, representative or guardian, whichever is appropriate.

4. The board may, in its discretion and if satisfied of the necessity of such action, recommend to the commission that a temporary license be issued to the applicant for such period of time as it may deem necessary. Such temporary license will entitle the person named therein to take part in the operation of such establishment and to receive profits therefrom as successor in interest, representative or guardian of the deceased or disabled person. Such temporary license may not be assigned in whole or in part.

5. No licensee shall permit any spouse, heir, next of kin, personal representative or guardian to take part in the operation of the licensed establishment, nor pay over to such person any part of the profits of such operation which accrue after the date of death or disability, unless such person is either a co-licensee or the holder of a temporary license as successor in interest, representative or guardian.

(Amended: 4/88.)

9.030 Insolvency of a licensee.

1. In the event that a licensee files any petition with the bankruptcy court for relief as a debtor or has such a petition filed against it, or a receiver is appointed for such licensed business or an assignment of such business is made for the benefit of creditors, the licensee, trustee, receiver or assignee, as the case may be, shall immediately notify the board of such fact in writing. Such written notice shall have attached a copy of the petition filed with the court, and any relevant court orders such as orders appointing trustees, receivers, or assignees.

2. No licensed establishment shall be operated by any trustee, receiver or assignee for the benefit of creditors until such operation has been authorized by the commission. In an emergency situation, any three members of the commission may authorize the continuation of such operation pending action by the board and the commission.

3. Any such trustee, receiver, or assignee desiring to continue operation of the licensed establishment shall immediately make application for permission to do so. Application shall be made in the same manner as an application for an initial license; but the operation, if approved, shall be deemed to continue under the existing license of the establishment.

4. Permission for such trustee, receiver, or assignee to continue the operation of the licensed establishment may be summarily withdrawn at any time in the discretion of the commission without the necessity of any hearing or proceedings for revocation or suspension.

(Amended: 11/82.)

End – Regulation 9